



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBER OF PNC KANPUR HIGHWAYS LIMITED**

**Report on the Standalone Financial Statements**

We have audited the accompanying Standalone financial statements of **PNC KANPUR HIGHWAYS LIMITED** which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

**48, UG-2, Hasanpur, I.P. Extension, Delhi-110 092**

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**Branches : • New Delhi • Faridabad • Kanpur • Ahmedabad**



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its Profit/loss and its Cash Flow for the year ended.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. In our opinion, the aforesaid Standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. There are no pending litigations against the company.
- ii. The Company did not have any long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of  
**RMA & Associates**  
*Chartered Accountants*  
FRN: 000978N



**Rajiv Bajpai**  
*Partner*  
M.No.405219

Place: Delhi  
Date: 23.05.2016



## **“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2016 :

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) There is no immovable property in the name of the company.
- 2) There is no inventory in the company hence clause 2(a) and (b) is not applicable.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income -Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.



- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of

**RMA & Associates**

Chartered Accountants

FRN: 000978N



**Rajiv Bajpai**

Partner

M.No.405219

Place: Delhi

Date: 23.05.2016



**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of PNC KANPUR HIGHWAYS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **PNC KANPUR HIGHWAYS LIMITED** as of March 31, 2016 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

For and on behalf of

**RMA & Associates**

Chartered Accountants

FRN: 000978N



**Rajiv Bajpai**

Partner

M.No.405219

Place: Delhi

Date: 23.05.2016



**PNC Kanpur Highways Limited**  
**CIN: U45400DL2011PLC212392**  
**Balance Sheet as at March 31, 2016**

(` In Lacs)

PARTICULARS	Schedule	As as March 31,2016	As as March 31,2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
a) Share Capital	A	6,750.00	6,750.00
b) Reserves and Surplus	B	222.59	10,140.00
c) Money Received against share warrants		-	-
		<b>6,972.59</b>	<b>16,890.00</b>
<b>(2) Share Application money pending allotment</b>			
		-	-
<b>(3) Non Current Liabilities</b>			
a) Long - Term Borrowings	C	24,253.22	25,696.80
b) Deffered Tax Liabilities (net)		-	-
c) Other Long Term Liabilities		-	-
d) Long - Term Provisions		-	-
		<b>24,253.22</b>	<b>25,696.80</b>
<b>(4) Current Liabilities</b>			
a) Short - Term Borrowings		-	-
b) Trade payables	D	238.92	1,230.91
c) Other Current Liabilities	E	1,887.74	3,175.06
d) Short - Term Provisions		43.69	-
		<b>2,170.34</b>	<b>4,405.97</b>
	<b>TOTAL</b>	<b>33,396.14</b>	<b>46,992.78</b>
<b>II. ASSETS</b>			
<b>(1) Non- Current assets</b>			
a) Fixed Assets			
i) Tangible assets			
		11.48	-
ii) Intangible assets			
	F	32,731.42	-
iv) Intangible assets under development			
		-	45,806.76
b) Non- Current Investment			
		-	-
c) Deferred tax assets (net)			
		9.05	-
d) Long - term loans and advances			
	G	409.71	299.40
e) Other non- current assets			
	H	-	64.43
		<b>33,161.65</b>	<b>46,170.59</b>
<b>(2) Current assets</b>			
a) Current Investment			
	I	36.02	-
b) Inventories			
		-	-
c) Trade receivables			
		-	-
d) Cash & Cash equivalents			
	J	183.49	800.94
e) Short - term loans and advances			
	K	14.98	3.06
f) Other current assets			
	L	-	18.19
		<b>234.49</b>	<b>822.19</b>
<b>SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS</b>			
	R		
	<b>TOTAL</b>	<b>33,396.14</b>	<b>46,992.78</b>

In terms of our report of Even date  
For RMA Associates  
Chartered Accountants

Rajiv Bajpai  
Partner  
M.No. 405219  
Place : New Delhi

Date: 23.05.2016



*Sarvesh Garg*  
Sarvesh Garg  
CFO

*Deeksha Garg*  
Deeksha Garg  
Company Secretary

On Behalf of the Board

*Chakresh Kumar Jain*  
Chakresh Kumar Jain  
Managing Director

*Yogesh Kumar Jain*  
Yogesh Kumar Jain  
Director



**PNC Kanpur Highways Limited**

**CIN: U45400DL2011PLC212392**

**Profit and Loss Account for the year ended March 31, 2016**

(\* In Lacs)

PARTICULARS	Schedule	For the Period ended March 31,2016	For the Period ended March 31,2015
<b>INCOME</b>			
I. Revenue from Operations	M	5,703.66	249.30
II. Other Income	N	41.01	-
III. Total Revenue		<b>5,744.67</b>	<b>249.30</b>
IV. Expenses			
Cost of material consumed & Contract paid		-	-
Purchase of Stock- in- Trade		-	-
Change in inventories of finished goods, W.I.P. and Stock in Trade	O	219.26	-
Employee benefit expense	P	2,580.90	-
Financial Costs	G	1,966.75	-
Depreciation and amortization expenses	Q	764.23	249.30
Other expenses			
Total Expenses		<b>5,531.13</b>	<b>249.30</b>
V. Profit Before Exceptional And Extraordinary Items and Tax		213.54	-
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary And Tax (V-VI)		213.54	-
VIII. Extraordinary Items		-	-
IX. Profit Before Tax (VII-VIII)		213.54	-
X. Tax Expenses			
(1) Current Tax /MAT		43.69	-
(2) MAT credit entitlement		(43.69)	-
(3) Deferred Tax		(9.05)	-
XI. Profit (Loss) for the period from continuing operations (VII-VIII)		222.59	-
XII. Profit (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/ (Loss) from discontinuing operations (after tax) (XII-XIII)		-	-
XV. Profit (Loss) for the period (XI+XIV)		222.59	-
XVI. Earning per equity shares:			
(1) Basic		0.00	-
(1) Diluted		0.00	-
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS	R		

In terms of our report of Even date

For RMA Associates  
Chartered Accountants

Rajiv Bajpai  
Partner  
M.No. 405219



Sarvesh Garg  
CFO

Deeksha Garg  
Company Secretary

Chakresh Kumar Jain  
Managing Director

Yogesh Kumar Jain  
Director

Place- New Delhi  
Date 23.05.2016

PNC Kanpur Highways Ltd.  
CIN U45400DL2011PLC212392  
Cash Flow Statement for the Year ended March 31, 2016

(` In Lacs)

	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>A.</b>		
Cash Flow from Operating Activities		
<b>Profit Before Tax</b>	213.54	
Net Profit /(Loss) before Tax & extraordinary items	-	-
<b>Adjustment for</b>		
Depreciation and amortisation expenses	1,966.75	-
Finance Cost	2,580.90	-
<b>Operating Profit / (Loss) before working capital changes</b>	4,761.18	-
<b>Adjustment fo Changes in Working Capital</b>		
Increase/Decrease in Trade Payable	(991.99)	(3,951.47)
Increase/Decrease in Other Payable	(1,287.32)	1,706.92
Increase/Decrease in Trade Receivables	-	7,414.67
Increase/Decrease in Working Capital	(39.61)	
<b>Cash Generated from/(used) from operating activities</b>	2,442.26	5,170.11
Provision for Taxation	43.69	-
<b>Cash (used in) / from operating activities before extraordinary Items</b>	2,485.95	5,170.11
<b>Cash Generated from/(used) from operating activities (A)</b>	2,485.95	5,170.11
<b>B.</b>		
Cash Flow from Investing Activities		
Increase/Decrease in investment	(36.02)	
Capital WIP	11,097.11	(18,978.02)
<b>Net Cash ( used in) / from Investing Activities (B)</b>	11,061.10	(18,978.02)
<b>C.</b>		
Cash Flow from Financing Activities		
Capital Grant	(10,140.00)	3,050.00
Subscription of Equity Shares	-	-
Repayment of Term Loans	(4,024.48)	11,184.90
<b>Net Cash ( used in) / from Financing Activities (C)</b>	(14,164.48)	14,234.90
<b>Net Cash Increase in cash &amp; Cash equivalents (A+B+C)</b>	(617.44)	426.99
Cash & Cash equivalents in beginning	800.94	373.95
<b>Cash &amp; Cash equivalents as at the end</b>	183.49	800.94

For RMA & Associates  
Chartered Accountants


On Behalf of the Board

Rajiv Bajpai  
Partner  
M No. 405219

  
Sarvesh Garg  
CFO

  
Deeksha Garg  
Company Secretary

  
Chakresh Kumar Jain  
Managing Director

  
Yogesh Kumar Jain  
Director

Place: New Delhi  
Date : 23.05.2016



**Notes to The Financial Statements For the Year Ended March 31, 2016 of PNC Kanpur Highways Limited.**

**A Share Capital**

(` In Lacs)

Particulars	As at March 31,2016	As at March 31, 2015
<b>Authorised</b>		
Equity Shares of ` 10/- each 6,80,00,000 (Previous Year 6,80,00,000)	6,800.00	6,800.00
	<b>6,800.00</b>	<b>6,800.00</b>
<b>Issued ,Subscribed &amp; Fully Paid up</b>		
Equity Shares of ` 10/- each 6,75,00,000 (Previous Year 6,75,00,000)	6,750.00	6,750.00
<b>Total</b>	<b>6,750.00</b>	<b>6,750.00</b>

**a Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	Nos.	Nos.
Opening	675,000,000	675,000,000
Add: Issued during the period	-	-
Less:Deductions	-	-
Closing	675,000,000	675,000,000

**b Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

Shareholder's Name	As at March 31, 2016	As at March 31, 2016	As at March 31, 2015	As at March 31, 2015
	Nos.	%	Nos.	%
PNC Infraholding Limited*	67,500,000	100	67,500,000	100

\* Six equity shares are held by nominee of PNC Infraholding Limited

**c Rights and restrictions attached to equity shares**

The Company has only one class of equity shares having a par value of ` 10 per share. Each shareholder is eligible for one vote per share held. In case any dividend is proposed by the Board of Directors the same is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend. There are restrictions attached to Equity Shares in relation to the term loan taken by the company.

**B Reserves and Surplus**

(` In Lacs)

Particulars	As at March 31,2016	As at March 31, 2015
<b>Capital reserves</b>		
Opening Balance	10,140.00	7,090.00
(+) Addition During the period	2,160.00	3,050.00
(-) Utilization During the period	12,300.00	-
Closing Balance	-	<b>10,140.00</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	-	-
(+) Net Profit for the current period	222.59	-
Amount available for appropriation	222.59	-
(-) Transfer to General Reserve	-	-
Closing Balance	<b>222.59</b>	-
<b>Total</b>	<b>222.59</b>	<b>10,140.00</b>



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**Notes to The Financial Statements For the Year Ended March 31, 2016 of PNC Kanpur Highways Limited.**

**C Long Term Borrowings**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Secured</b>		
Term loans -from banks	24,253.22	25,696.80
Term loans -from NBFCs		
<b>Total</b>	<b>24,253.22</b>	<b>25,696.80</b>

The requisite particulars in respect of secured borrowings are as under:

(` In Lacs)

Particulars	Current Maturity	Non-Current Maturity	
		2nd Year	Over 5 years
Term Loan From Banks	1,608.00 (938.10)	1,874.40 (1,608.00)	22,378.82 (24,253.22)
<b>Total</b>	<b>1,608.00</b> <b>(938.10)</b>	<b>1,874.40</b> <b>(1,608.00)</b>	<b>22,378.82</b> <b>(24,253.22)</b>

(i) Figures in brackets represents previous year figures.

(ii) The loan is repayable in 96 unequal monthly instalments commencing from January 2016.

**Security:**

- (i) A first mortgage and charge on all the borrowers immovables properties if any both present and future save and except the project assets.
- (ii) A first charge by way of hypothecation of all the borrowers movables including current and non current assets save and except the project assets.
- (iii) A first charge on borrowers receivables save and except the project assets.
- (iv) A first charge over all the accounts of the borrower, the Escrow Account, sub accounts , Major Maintenance account, debt service reserve account.
- (v) A first charge on all intangibles of the borrower save and except project assets.
- (vi) A first charge by way of assignment or otherwise creation of security interest in all the right, title, interest, benefits, claims, and demands.
- (vii) Pledge of equity shares held by the sponsor aggregating to 51%.

**D Trade Payables**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Dues of MSME parties		
Dues of other than MSME parties	238.92	1,230.91
<b>Total</b>	<b>238.92</b>	<b>1,230.91</b>

**E Other Current Liabilities**

(` In Lacs)

Particulars		As at March 31, 2016	As at March 31, 2015
Current maturities of long-term debt			
From Banks		1,608.00	938.10
<b>Total Current maturity of long term debt</b>	<b>(A)</b>	<b>1,608.00</b>	<b>938.10</b>
Due to employees		22.59	13.08
Statutory dues		10.02	39.06
Unsecured Loans from Related Parties		-	2,000.00
Others*		247.12	184.83
<b>Total Others</b>	<b>(B)</b>	<b>279.74</b>	<b>2,236.97</b>
<b>Total</b>	<b>(A + B)</b>	<b>1,887.74</b>	<b>3,175.07</b>

\* includes ` 235.30 Lacs payable to related party



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**G Long Term Loans and Advances**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
(Unsecured, Considered good unless otherwise stated)		
Retentions & Security Deposits		
With government Authority	30.63	11.63
With others		
Advance tax & tax deducted at source (Net)	267.61	242.54
WCT Recoverable	67.77	45.23
MAT Credit Entitlement	43.69	-
<b>Total</b>	<b>409.71</b>	<b>299.40</b>

**H Other Non Current Asset**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Miscellaneous Expenses		
Preliminary expenses	-	36.35
Pre-Operative Expense	-	28.07
<b>Total</b>	<b>-</b>	<b>64.42</b>

**I Current Investments**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
HDFC Liquid Fund	36.02	-
<b>Total</b>	<b>36.02</b>	<b>-</b>

**J Cash and Bank Balances**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash & Cash Equivalents		
Cash in hand	30.94	0.40
Bank Balances with Scheduled Bank:		
In Current Account	152.54	515.54
In Term Deposits (Less than 3 months)	-	285.00
In Term Deposits (More than 3 months less than 12 months)		
<b>Total</b>	<b>183.49</b>	<b>800.94</b>

**K Short Term Loans and Advances**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured and considered good- unless otherwise stated		
Other advances	14.98	3.06
<b>Total</b>	<b>14.98</b>	<b>3.06</b>

**L Other Current Assets**

(` In Lacs)

Particulars	As at March 31, 2016	As at March 31, 2015
Accured Interest on FDR	-	2.08
Preliminary Expense	-	9.09
Pre-Operative Expense	-	7.02
<b>Total</b>	<b>-</b>	<b>18.19</b>

**M REVENUE FROM OPERATIONS**

(` In Lacs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Toll Collection	5,331.84	-
Contract Receipt	371.81	249.30
<b>Total</b>	<b>5,703.66</b>	<b>249.30</b>



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**N Other Income**

(` In Lacs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest From bank	6.94	-
Profit on sale of Mutual Fund	30.77	-
Interest on Income Tax Refund	3.31	-
<b>Total</b>	<b>41.01</b>	<b>-</b>

**O Employee Benefit Exp.**

(` In Lacs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Salary	215.54	-
Staff Accommodation Exp.	0.72	-
Gravuity Expenses	0.75	-
Contribution to Provident Fund	2.26	-
<b>Total</b>	<b>219.26</b>	<b>-</b>

**P Financial Cost**

(` In Lacs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Interest on Term Loan	2,580.90	-
<b>Total</b>	<b>2,580.90</b>	<b>-</b>

**Q OTHER EXPENSES**

(` In Lacs)

Particulars	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
Travelling & conveyance	0.28	
Diwali Exp / pooja exp.	0.01	
Mobile Phone Expenses	1.30	
Courier & postage Exp.	0.01	
Legal & Professional exp.	9.12	
Advertisement Exp.	3.99	
Freight & cartage	0.16	
Loading & Unloading	0.01	
Computer Exp	0.32	
Motor Cycle Exp.	0.02	
Electric Accessories	0.51	
Consumable Exp	0.36	
Guest House Exp	0.41	
Misc Exp	1.37	
Electricity Exp.	2.79	
Insurance Premium	2.27	
Service Tax	0.02	
Bank Charges	6.13	
Office Exp.	2.60	
Mess Exp.	6.18	
Safety & security Exp.	1.78	
Printing & Stationary	6.86	
Toll Plaza Exp.	0.62	
Rent Exp.	0.54	
Interest on Others	0.10	
Audit Fee	0.57	
Repair & Maintenance	3.47	
Hire Charges	11.32	
Preliminary Exp. Written off	38.62	
Port Charges	6.36	
Plantation Exp	0.00	
Balance w/o	(0.04)	
Contract Paid	622.42	249.30
Vehicle Tax & Permit	0.33	
Caution & safety Exp.	0.04	
Oil grease & lubricants	33.36	
<b>Total</b>	<b>764.23</b>	<b>249.30</b>



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F. FIXED ASSETS

S. No.	Item Name	Method	Rate of Depreciation	Date Put to use	No of days	Gross Carrying Value			Depreciation/Amortisation				Net Block		
						As at 01.04.2015	Addition	Disposal	As at 31.03.16	Opening Balance as on 01.04.2015	Dep on Opening Balance	Dep on Additions	Dep For 2015-16	As at 31 March 2016	As at 31 March 2016
<b>A</b>	<b>Tangible Assets</b>														
1	Air Conditioner						5.08	-	5.08	-	-	0.76	0.76	4.32	-
2	Camera	SLM	19.00%	12-Oct-15	172	-	0.11	-	0.11	-	-	0.01	0.01	0.10	-
3	Computer	SLM				-	0.87	-	0.87	-	-	0.10	0.10	0.77	-
4	Electric Equipments	SLM				-	0.83	-	0.83	-	-	0.01	0.01	0.81	-
5	Furniture & Fixtures	SLM				-	2.35	-	2.35	-	-	0.12	0.12	2.22	-
6	Mobile Phone Instruments	SLM				-	0.50	-	0.50	-	-	0.07	0.07	0.43	-
7	RO Plant	SLM				-	2.00	-	2.00	-	-	0.13	0.13	1.87	-
8	Refrigerator	SLM	19.00%	8-Sep-15	206	-	0.62	-	0.62	-	-	0.07	0.07	0.55	-
9	Television	SLM	19.00%	8-Sep-15	206	-	0.45	-	0.45	-	-	0.05	0.05	0.40	-
	<b>Sub-Total (A)</b>					-	<b>12.80</b>	-	<b>12.80</b>	-	-	<b>1.31</b>	<b>1.31</b>	<b>11.48</b>	-
<b>B</b>	<b>Intangible Assets</b>														
	Concession Rights						45,806.76	1,190.09	12,300.00	34,696.85	-	1,965.43	1,965.43	32,731.42	-
	<b>Sub-Total (B)</b>						45,806.76	1,190.09	12,300.00	34,696.85	-	1,965.43	1,965.43	32,731.42	-
	<b>Grand Total (A+B)</b>						<b>45,806.76</b>	<b>1,202.89</b>	<b>12,300.00</b>	<b>34,709.65</b>	-	<b>1,966.75</b>	<b>1,966.75</b>	<b>32,742.90</b>	-



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(N) Additional Notes

1 50000 equity Shares of promoters have been pledged to Axis Trustees Services Ltd as security trustee.

2 Related Party Disclosure

Particulars	(` In Lacs)	
	Year Ended March 2016	Year Ended March 2015
<b>1 (i) Payment on account of Epc Contract</b> Particulars Sub Contract to PNC infratech Ltd	371.81	16515.93
<b>2 Amount Outstanding at Reporting Period</b>		
<b>(i) Amount Payable</b> PNC Infratech Ltd PNC Infratech Ltd (Unsecured Loan)	235.30 -	1388.69 2000.00
<b>Capital Commitment</b> Commitment- Estimated Amount of contracts remaining to be executed on capital account and not provided for		-

3 Company has recognised revenue for contract receipt ( Utility shifting work from department on completion of work basis). The work has been executed by EPC contractor on back to back basis. The revenue and cost incurred has been shown in the Profit & Loss Account.

4 Previous year figure has been regrouped/reclassified wherever necessary to conform current year classification.

5 Company got COD during the current financial year so we have capitalised the Capital WIP till COD with addition of current financial year and reduced the Capital WIP with Capital grant received from NHAI . Detail shown as under-

Particulars	(` In Lacs)
	Amount
Opening balance capital WIP as on 01.04.2015	45,806.76
Add:- Addition during the year	1,190.09
Less :- Capital grant	12,300.00
Concession Right Recognised	<u>34,696.85</u>





**Notes to the Financial Statements for the year ended March 31, 2016 of  
PNC Kanpur Highways Ltd.**

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**Significant accounting policies**

**Nature of Operation**

The Company has been awarded the work of "Two Lanning with paved shoulders of Kanpur-Kabrai Section of NH-86 from( Km7.430 to Km. 130.100) in the State of Uttar Pradesh on Design, Build, Finance, Operate and Transfer (DBFOT) basis" and the collected toll fees to be retain and appropriate receivables as per the concession agreement dated 11.03.2011 with NHAI.

**1. Basis of preparation of financial statements:**

These financial statements has been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and the relevant provisions of the Companies Act, 1956 read with the Rule 7 of Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 (The Act). The Financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

During the six month period ended 30 September 2014, the Schedule III notified under the Companies Act, 2013 has become applicable to the Company for the preparation and presentation of its financial statements, accordingly previous years' figures have been re-grouped/ re-classified wherever applicable.

Appropriate re-classifications/ adjustments have been made in the Financial Statements wherever required, by re-classification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the presentation and recognition as per the audited financial statements of the Company.

These Financial Statements are prepared in accordance with generally accepted accounting principles in India under the historical cost convention on going concern basis.

Further, these Financial Statements are prepared to comply in all material aspect with Accounting Standards (Companies (Accounting Standards) Rules, 2006, read with Rule 7 of Companies(Accounts) Rules,2014). The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate collection.

**2. SIGNIFICANT ACCOUNTING POLICIES ADOPTED BY THE COMPANY IN THE PREPARATION OF FINANCIAL STATEMENTS**



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## 2.1 Use of estimates:

The preparation of financial Statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that effect the reported balances of assets and liabilities and disclosures of contingents liabilities at the date of financial statements and results of operations during the reporting period. Although these estimates are based upon management's basic knowledge of current events and actions, actual results could differ from these estimates. Differences between actual results and estimates are recognized in the year in which the results are shown / materialized.

## 2.2 Fixed assets ,Depreciation and Amortization

Intangible assets are recognized in accordance with the criteria specifies in Accounting Standard (As) 26 " Intangible Assets" issued by Institute of Chartered Accountants of India.

Highways Projects representing toll collection rights are obtained in consideration for construction, operation and maintenance of the project on design, build, Finance, operate and Transfer basis. The cost of such Highways project companies' construction cost including finance cost incurred during the implementation phase. Such Highways project on completion are capitalized on intangible assets and are amortized over the period of rights given under the concession agreement as they represent right to collect toll revenue during concession period.

Pre- operative expenses incurred upto the date of commencement of commercial operations are shown separately pending allocation.

## 2.3 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted of the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. Cash and cash equivalents in the Balance Sheet comprise cash and cash at bank.

## 2.4 Revenue Recognition

- (i) Income from toll collection is recognized on the basis of actual toll collection.
- (ii) Sale of discounted toll coupons/swipe cards is recognized as income at the time of sale.

## 2.5 Other Income

Interest income is generally recognized on a time proportion basis by considering the outstanding amount and applicable rate.

## 2.6 Foreign Exchange Transaction

The Company has neither received/ earned nor paid any amount in foreign exchange.





### 2.7 Borrowing costs:

Borrowing costs that are attributed to the acquisition or construction of qualifying assets are capitalized as a part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

### 2.8 Segment Reporting:

The Company's operations pre-dominantly consist of infrastructure development and construction, hence it operates in one business segment, Thus, the reporting requirement of Accounting Standard (AS-17) Segment Reporting are not applicable.

### 2.9 Earning Per Share:

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS-20) notified under Company's (Accounting Standard) Rules, 2006

Basic earning per share is computed by dividing the net profit for the year/period attributable to the equity share holder by the weighted average number of equity shares outstanding during the year/period.

Diluted earnings per share is computed by dividing the net profit for the year/period, adjusted for the effects of dilutive potential equity share, attributable to the equity shareholders by the weighted average number of the equity shares and dilutive potential equity share outstanding during the year/period except where the results are anti-dilutive.

### 2.10 Taxation:

The tax expense comprises of current tax & deferred tax charged or credited to the Statement of Profit and Loss for the year/period.

Current tax is determined as an amount of tax payable in respect of taxable income for the year/period in accordance with the Income Tax Act, 1961.

The deferred tax for timing difference between the book and tax profit for the year/period is accounted using the tax rate and laws that have been enacted or substantively enacted as on the Balance Sheet date in accordance with 'Accounting Standard (AS-22) Accounting for taxes on income'.

### 2.11 Impairment Of assets:

The carrying amount of assets, other than inventories is reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists the recoverable amount of assets is estimated. The recoverable amount is greater of asset's net selling price and value in use which is determined based on the estimated future cash flow discounted to their present value. An impairment loss is recognised whenever the carrying amount of assets or its cash generating unit exceeds its recoverable amount.



**2.12 Miscellaneous Expenditures**

Preliminary Expenses and pre private equity expenses are being written off in the current year in accordance with Accounting Standard (AS-26) "Intangible Assets" issued by Institute of Chartered Accountants of India.

**2.13 Provisions, Contingent liabilities and contingent assets:**

Provisions are recognized for present obligations of uncertain timing or amount arising as a result of a past event where a reliable estimate can be made and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation.

When it is not probable and amount cannot be estimated reliably than it is disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events are also disclosed as contingent liabilities unless the probability of outflow of resource embodying economic benefit is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.



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A handwritten signature in blue ink, appearing to be "D. K." or similar.

A handwritten signature in purple ink, appearing to be "M." or similar.

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